



Testimony of

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*On behalf of*

THE ASSOCIATION FOR COMMUTER TRANSPORTATION (ACT)

*Before the*

House Government Reform Committee

*On*

**Who's Watching the COOP?**

***A Re-Examination of Federal Agencies' Continuity of Operations Plans***

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## INTRODUCTION

Mr. Chairman, Members of the Committee, thank you very much for the opportunity to participate in this dialogue on the role of telecommuting in the Federal workplace concerning continuity of operations planning. My name is Kevin Luten. I am the Planning Director for UrbanTrans Consultants, a national transportation management consulting firm, and am here representing the Association for Commuter Transportation (ACT) as their Washington Regional Public Policy Representative.

Before I start, I would like to express ACT's appreciation to Chairman Davis (R-VA) and the committee for holding this hearing. Chairman Davis' (R-VA) commitment to a secure and efficient Government is exemplified by his actions and this hearing. It is this commitment and dedication that will be needed in order to guarantee that the Federal Government continues its essential operations in the event of an emergency, natural or otherwise.

The members of ACT represent a broad coalition of organizations – from major private-sector businesses and institutions to transportation agencies – with a common goal of providing commuters options. ACT members focus on what is commonly known as transportation demand management, or TDM.

ACT and its members have been very involved with regional planning agencies on emergency management planning. There are a number of different ways that TDM can play a role in an

emergency situation. One of those roles is continuity of operations. Teleworking is one of the many options that our members use and promote in order to reduce congestion and improve mobility. However, telework is also an important tool in the event of an emergency. It would seem that the Federal Government would utilize telework more, not only for purposes of reducing congestion in Washington, DC, but also for continuity planning. However, this is not the case. The Federal government lags behind the private sector in the Washington region when it comes to teleworking. The 2004 State of the Commute by the Washington, D.C. Council of Governments found that 15% of private sector employees teleworked, compared to only 12% of Federal employees. However, when surveyed, it was determined that the potential and ability to telework is much greater in the Federal Government, with 21% of Federal employees surveyed responding that they could and would telework, compared to only 16% of private sector employees.

It is clear that the potential to increase the number of Federal teleworkers is there, however, several steps must be taken in order to make this a reality. I will briefly outline what the benefits are to telework, what some private sector companies are doing to increase teleworking in the event of an emergency, and what needs to be done in order for the Federal Government to better integrate this strategy into its continuity plans.

## **BENEFITS OF TELECOMMUTING**

There are many benefits associated to telecommuting for employers, employees and the general public that have been outlined by those who have testified before me, they include:

### Benefits to Employers

- Continuity of operations
- Increase in productivity
- Increase in employee moral
- Improved labor recruitment and retention
- Decrease in operating costs
- Decrease need for office and parking space

### Benefits to Employees

- Greater work flexibility, work / life balance
- Lower commuting costs
- Lower stress levels
- Higher quality of life

### Benefits to the General Public

- Decreased congestion
- Improved air quality
- Stronger communities – as people spend less time on the road and more time with family and community.

With emerging technology, more and more Americans are able to work from their home and have the same tools at their disposal that they would at their workplace. ACT has found that

employee decisions about how to get to and from work are greatly influenced by the policies and programs offered by their employers. Employers who offer telecommuting options find that many who are able to take advantage of the program do in fact telework. However, there are many employers who do not allow their employees to telework for a variety of reasons. Many of those reasons are based upon misconceptions of telecommuting and include the fear that employees are not working, data security, and simple ignorance to the benefits of teleworking. ACT has found that educating managers and executives on teleworking has proven to clear up those misconceptions and leads to an increase in the number of employees who are able to telework.

### **TELEWORKING IN THE POST 9-11 WORLD**

September 11<sup>th</sup>, the Capitol Hill anthrax incident, and even the events corresponding to the unfortunate passing of President Reagan showed Washington that teleworking is not only beneficial, but critical to maintaining seamless operations. In each of these instances, Federal employees, and employees of this institution, were in large part unable to conduct an average commute. Despite this fact, the government has a need to function. Many on September 11<sup>th</sup> did not have the capability or instructions to telework. The ability for Federal employees to telecommute is not only a matter of convenience, but one of national defense. In these times, functional telework programs can keep the government running efficiently. Creating and developing effective telework programs within the Federal government can be critical during major events. With effective telework plans there is no reason for the Federal government to slow down as a result of snowfall, or in recent cases, snow flurries.

### **TELEWORK - WHAT THE PRIVATE SECTOR IS DOING**

An increasing number of private sector businesses are adopting telework programs for a wide variety of reasons – ranging from contingency planning to economic competitiveness.

Recognizing that natural disasters, major transportation infrastructure breakdowns (such as the shutdown of public transportation systems for mechanical or labor-related reasons), or even large special events can seriously hamper business, many companies have forged business continuity and contingency plans to maintain operations and productivity. For example, during the recent unfortunate train crash in the Los Angeles area, and in the aftermath of earthquakes and other natural disasters, several companies in Southern California encouraged their employees to stay at home and avoid local traffic congestion. Other companies were prepared in advance, and able to distribute information quickly to colleagues. One major business in Southern California developed an internal ridesharing system enabling them to link colleagues in close proximity so they could share rides and assist one another during emergencies. Combined with the teleworking policy, the company was able to inform employees, offer carpooling and commute alternatives, and allow employees to work from home, creating a seamless transition in business operations even when transportation system capacity was seriously reduced.

Other companies are pursuing aggressive telework programs to enhance productivity and economic competitiveness. These companies recognize that the extremely fast pace of change in computing and information technology is fundamentally changing the way many companies do business and compete. Adapting to and incorporating these technological advances into all

aspects of business operations – from how people work to where they work and when they work – is increasingly critical to maintaining competitiveness.

At AT&T, large numbers of employees are moving permanently out of traditional offices and into virtual offices. From a 2003 AT&T Telework Whitepaper:

Employees are utilizing telework “as a way of increasing productivity, work/life balance and their quality of life. They rely on a structure that is more and more "net-centric" - organized around networks instead of buildings. According to our 2002/2003 employee telework research, 17% of AT&T managers now say they work in a full-time virtual office (or "VO", defined as working all of a standard work week at home or from a customer location). This is almost double the 9% VO reported in 2001. Another 40% report less-than-full-time telework patterns including working from home, office sharing or hoteling arrangements. Overall, about 33% of AT&T managers now telework least once a week, over four times the 8% who did so when our research first began in 1992.

“This network-based structure is expected to generate over \$150 million in benefit to AT&T in 2003 by increasing productivity, reducing overhead costs such as real estate, and enhancing retention and recruitment. Examining our decade of data, we see that telework is no longer an employee perk or an "alternative work arrangement." These latest documented productivity gains and cost reductions are the foremost dimensions of a fundamentally new operating model - a net-centric structure that delivers significant advantages for the employee, the company and for society in general.

“Productivity gains are the most significant (but least understood) benefit of telework. AT&T teleworkers have consistently reported gaining about one extra hour of job-based productive time each day when working at home. They redirect the majority of their commuting time (80 minutes) to work activities. This increase in productivity is validated by other internal AT&T research. For example, managers in virtual offices are more likely to be rated as promotable than managers in traditional offices.” (AT&T, “Organizing Around Networks, Not Buildings,” April 11, 2003)

In a drive to stay competitive in a very tight market, JetBlue Airways Corp. aggressively pursues what founder David Neeleman calls “homesourcing.” JetBlue has four hundred reservation agents that work permanently from home in Salt Lake City, Utah, an approach that has increased productivity for JetBlue and improved work / life balance for their employees. Neeleman explains, “They were 30 percent more productive – they take 30 percent more bookings, by just being happier. They were more loyal, and their was less attrition.” (Friedman, “The World Is Flat.” 2005)

## **PUBLIC SECTOR INITIATIVES**

Last year the State of Florida was paralyzed by the continuous threat of hurricanes. The State was simply shutdown for almost 6 weeks. Several regions in the State of Florida sustained billions of dollars in loss of economic activity and job efficiency as a result of the 2004 hurricanes and tropical storms. Economic damages to the state were estimated at \$42 billion. Even in areas which were not directly hit by the recent disasters, many employees lost 3-4

working days each week by the mere threat of a hurricane. Significant economic loss could have been mitigated by use of telework. The lessons learned from the hurricanes were clear: Be prepared ahead of time.

As a result of these events, the Tampa Bay Regional Planning Council initiated a “Telework Tampa” program in partnership with the private sector in the Tampa Bay region. The project involves working with employers throughout the region to implement telework pilot programs. Employers involved in the pilot telework efforts are doing so for a variety of reasons – from emergency preparedness planning to economic competitiveness – but the results from the pilots will eventually benefit all employers in the region as teleworking and contingency preparedness grow region wide. As a result of the success, the Tampa Bay Regional Planning Council is spearheading a statewide effort. The Federal Government can learn from this example.

## **WHAT CAN THE FEDERAL GOVERNMENT DO TO INCLUDE TELEWORK INTO ITS CONTINUITY OF OPERATIONS PLANS**

The Federal Government can take note of several lessons learned by the events in Florida:

- Telecommunications infrastructure may be more robust, and include more redundancy, than the roadway infrastructure.
- Organizations with established remote access programs are more resilient.
- Quick fixes do not always stand the test of time. Teleworking cannot be an impetuous solution to a disaster. Pre-planning is key to quick recovery.

Federal policy requires that eligible members of the Federal government workforce be allowed to telecommute, however, many are forbidden from doing so by their management. Federal employees who are already successful teleworkers also tell ACT that they are often unnecessarily being pulled away from teleworking as management changes. This appears to us to be highly disruptive, unproductive, and costly, since these successful and clearly eligible teleworkers are being prohibited from teleworking. Consistency across sections, departments and agencies needs to be established in order for teleworking to be a successful continuity tool. ACT applauds recent actions taken by Congress in the FY 2005 appropriations bill that further mandates agencies follow the policy concerning teleworking.

It is also important to note that a large number of Federal contractors are still unable to telework. It would seem that Federal agencies would benefit a great deal from cost savings if they did not have to house contractors. ACT commends this Congress for passing legislation that would prevent agencies from penalizing contract bids from contractors who have their own telework policies and urges this committee and Congress to oversee that this policy is being followed.

ACT has also analyzed the Office of Personnel Management (OPM) report on telecommuting and is confused by their eligibility numbers. It seems that some agencies with large numbers of employees had relatively small percentages of their workforce listed as ‘eligible’ to telecommute. Some of these agencies also had high participation rates since these rates were based on the percentage of eligible employees. However, the bottom line is that they had relatively few teleworkers, but were promoting high participation rates. ACT finds this

somewhat deceiving. Also in the OPM report, OPM defined core and situational teleworkers. As ACT understands it, the core telework definition is based on the definition agreed upon by Congress and OPM and the participation rates for core telework (which are substantially lower than the 14% promoted in the report) should be the benchmark measure for Federal progress in telework. Also, it is the core teleworkers that will make the most impact on the congestion, pollution, and other benefits associated with teleworking. ACT believes that if Congress were to clarify the definition of who is eligible to telecommute and to more clearly require reporting of 'core telework' is, much of this confusion could be cleared up.

ACT also urges Congress to oversee that all Federal agencies are including telework as a key strategy for continuity of operations. As previously mentioned, pre-planning is key to quick recovery. The Federal government should not look at telework as a "break in case of emergency" strategy, but one it utilizes on a daily basis, that way in the event of an emergency, the plan is already in place. ACT supports an effort being led by Congressman Danny Davis that would provide for a demonstration within the Federal Government to illustrate the effectiveness of telework as a continuity of operations tool, but more importantly, it will illustrate the gaps and deficiencies that would need to be fixed.

## **CONCLUDING REMARKS**

ACT urges the Federal Government and Congress to implement telework strategies for daily use and weave these strategies into continuity plans. In order to increase teleworking in the Federal Government, and to make sure that teleworking would be used adequately in times of need, ACT urges the following:

- Abundant pre-planning and demonstration.
- Consistency in use amongst sections, departments and agencies.
- Increased education of managers and executives.
- Provide appropriate resources to develop and implement telework capabilities.
- Re-issue, clarify, and assert Federal policy towards telecommuting, specifically in the definition of 'core telework.'
- Enforce existing policy by expanding the penalty exercised in the FY 2005 appropriation bill to all agencies in non-compliance